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HOUSE BILL NO. 2576

House Amendments in [] —January 29, 2001

A BILL to amend and reenact § 6.1-423 of the Code of Virginia, relating to mortgage lenders; notice of change of address to insurers.

Patron Prior to Engrossment—Delegate McDonnell

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:

1. That § 6.1-423 of the Code of Virginia is amended and reenacted as follows:

§ 6.1-423. Escrow accounts.

All moneys required by a mortgage lender required to be licensed under this chapter to be paid by borrowers in escrow to defray future taxes or insurance premiums, or for other lawful purposes, shall be kept in accounts segregated from accounts of the lender, and shall not be commingled with other funds of the lender. No licensed mortgage lender shall require any borrower to pay any moneys in escrow to defray future taxes and insurance premiums, or for any other purpose, in connection with a subordinate mortgage loan as referred to in Chapter 7.3 (§ 6.1-330.49 et seq.) of this title, except where escrows for such purposes are not being maintained in connection with the mortgage loan superior to such subordinate mortgage loan. *Mortgage lenders holding money in escrow for insurance premiums shall notify the insurer in writing within [~~fourteen~~ thirty] days of a change of the mortgage lender's billing address [, or sixty days prior to the renewal date of the insurance policy, whichever is later] .*

ENGROSSED

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